From:	Stan Sokolowski <ssokolowski@cifc.com>
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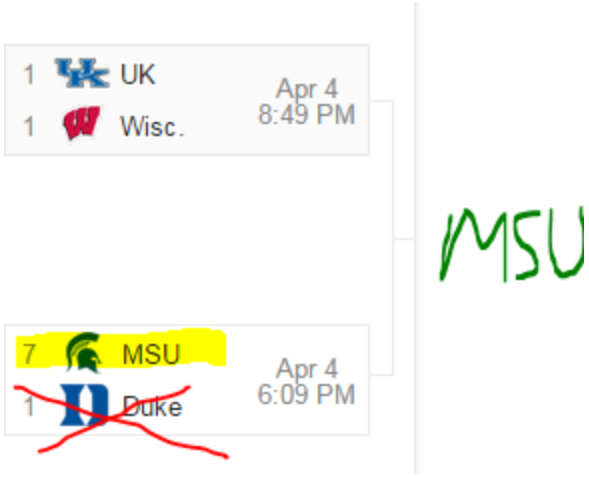
CC:	
Date:	Mon, 3/30/2015 6:29:11 PM
Subject:	Daily Update

Quote of the Day

"Experience tells you what to do; Confidence allows you to do it" – Stan Smith
(Beta Theta Pi alumni and Wimbledon Champion)



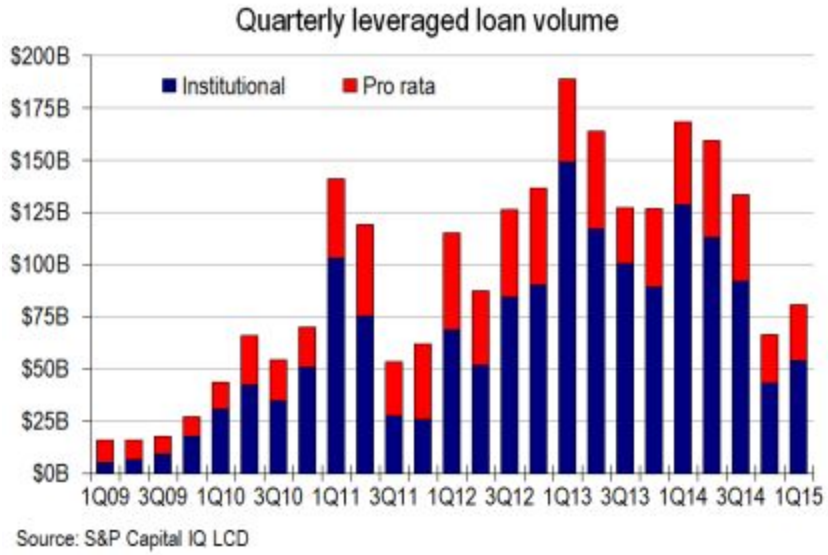
- US futures are higher this morning mainly (I believe) on hopes for further Chinese policy easing and dovish speech from Yellen at the close on Friday. The S&P has not had back to back gains since February and is being eyed at maybe being at an inflection point. Other news remains the same; Greece is still arm wrestling with the Germans, oil is lower on an expected deal with Iran (however headlines are now hitting suggesting that the 3/31 deadline will be missed) and Ben Bernanke has started a blog (http://www.brookings.edu/blogs/ben-bernanke/posts/2015/03/30-why-interest-rates-so-low) ... The Euro is backpedaling from its recent gains and sits at 1.08. Also, Japanese industrial production missed by a large margin (-3.4% vs. -1.9% exp). The M&A machine was busy over the past few days and weekend research from the strategists had whiff of bearishness (particularly on GDP, equities and financial asset liquidity risk). From DB this w/e:

> *Macro picture remains weak(ish) as measured by real activity indicators, with the most recent sub-consensus readings coming in from durable goods, existing home sales, and Q4 GDP. These indicators continue to be contradicted by employment trends, such as jobless claims and payrolls, and thus it is becoming increasingly important to determine which side prevails here. We tend to think that real economic activity should hold a sway over employment trends in that such activity ultimately determines the need for labor, and not the other way around. For this reason, we continue to believe that as the US economy loses more momentum over the next few months, the Fed would likely find it difficult to remain on a sustainable rate-hiking path beyond the first few moves, if any at all. Thus we find macro picture to be on the side of credit investors, more so of those seeking safer yields, and not reaching all the way down to riskiest parts of the market*

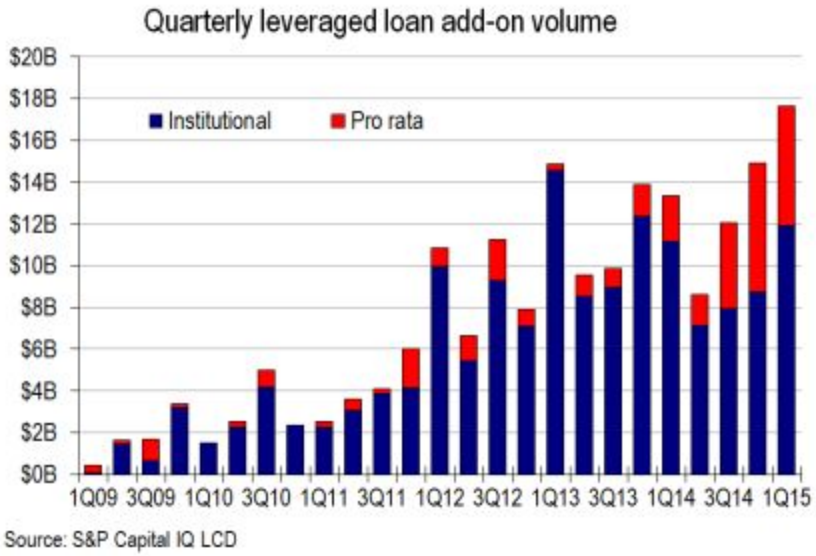
Futures: +22 (to the moooon). 10 year: 1.95%

- Data: Personal Income 0.4% (vs. 0.3% exp). Personal Spending 0.1% (vs. 0.2% exp). The consumer is cautious and is holding back. Dallas and Pending Home Sales due later this morning

- Credit: The loan market was eerily quiet on Friday as a number of investors were out and participants remain frustrated with quality, price and yield. Technicals remain imbalanced to less supply and strong demand. Stay long my friends… In HG, issuance is at a new YTD record of $340bn while HY hit $85bn ytd (matching 2013's record). Issuers continue to take advantage of a favorable rate environment.



Source: S&P Capital IQ LCD



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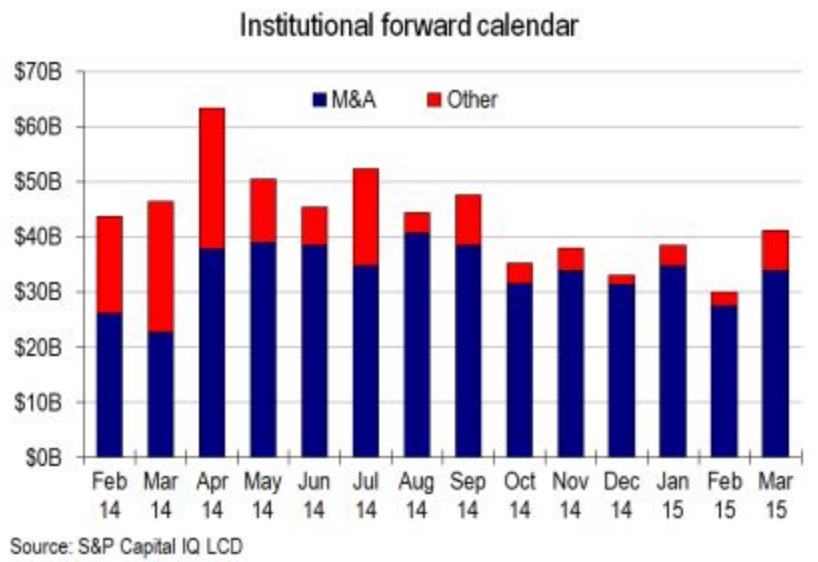
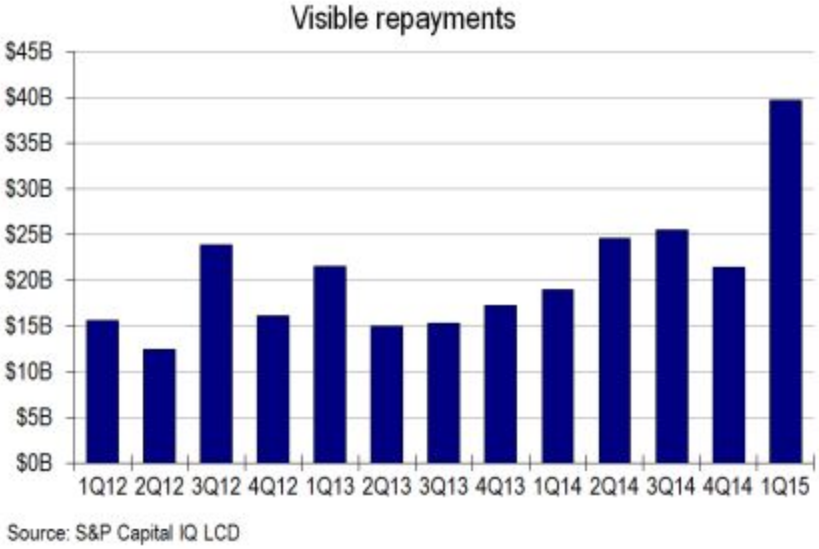
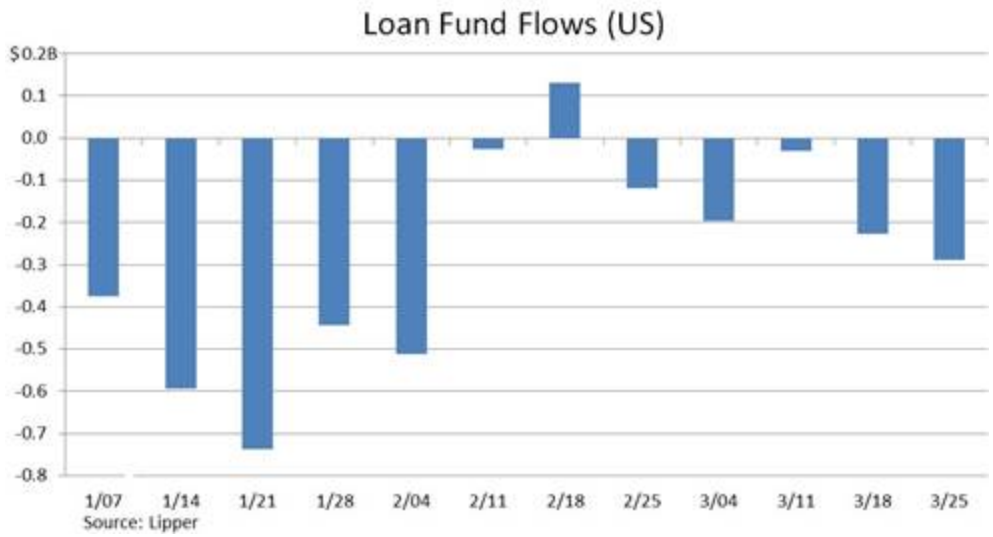
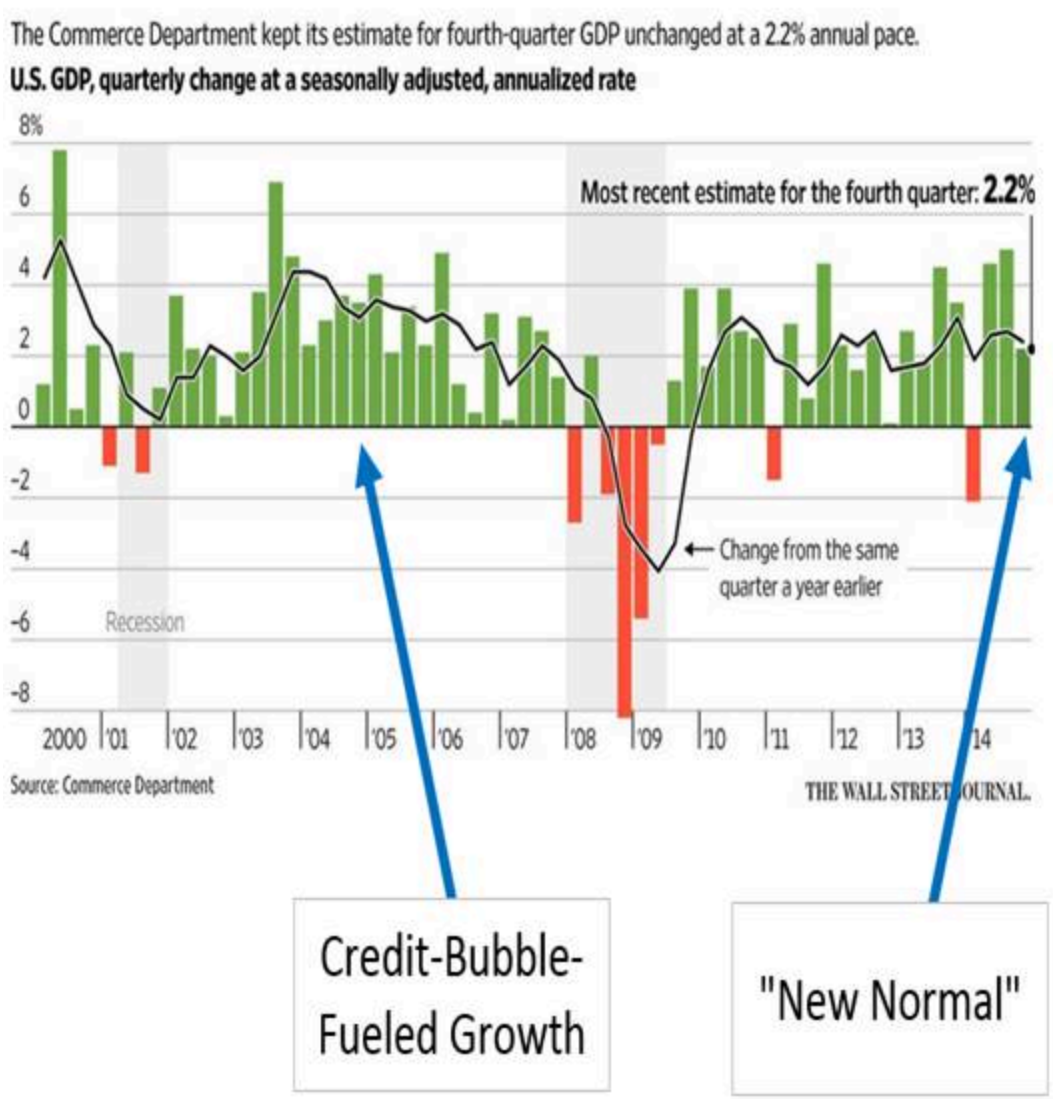


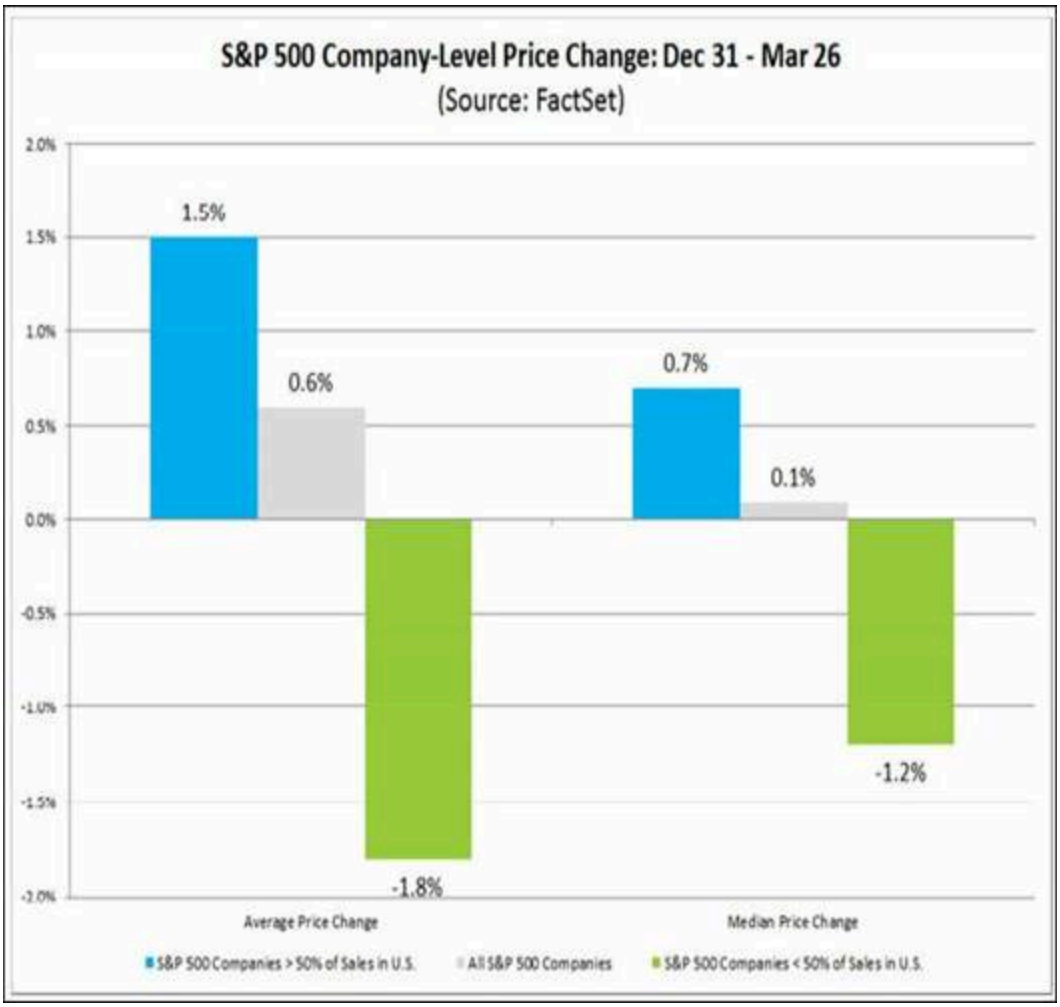


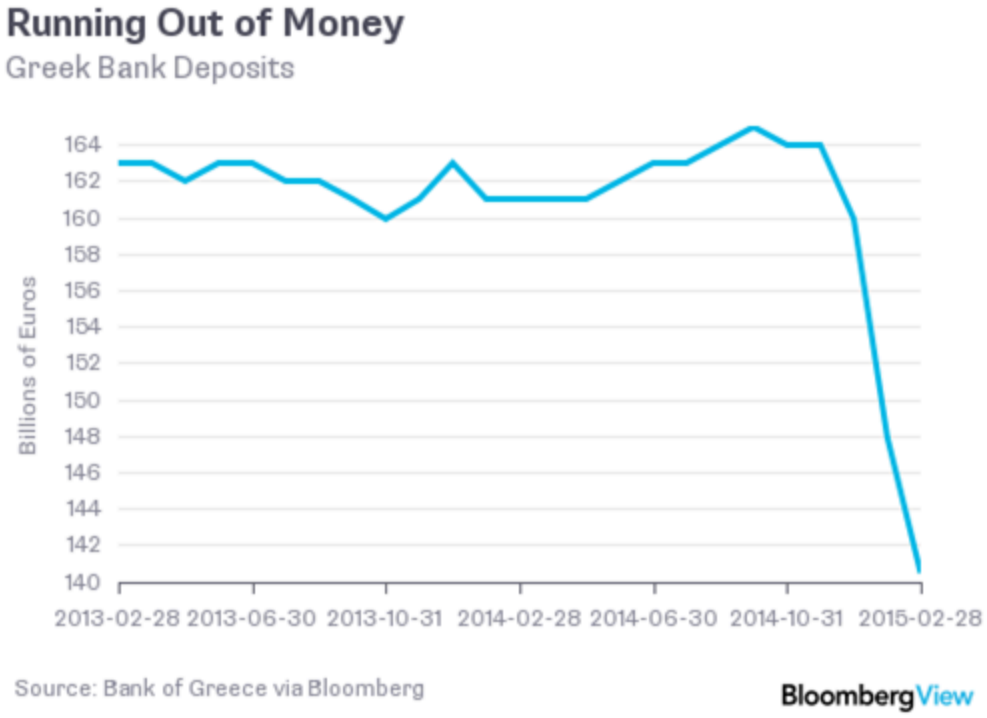
Retail is still fighting the Fed



- Charts of the day:

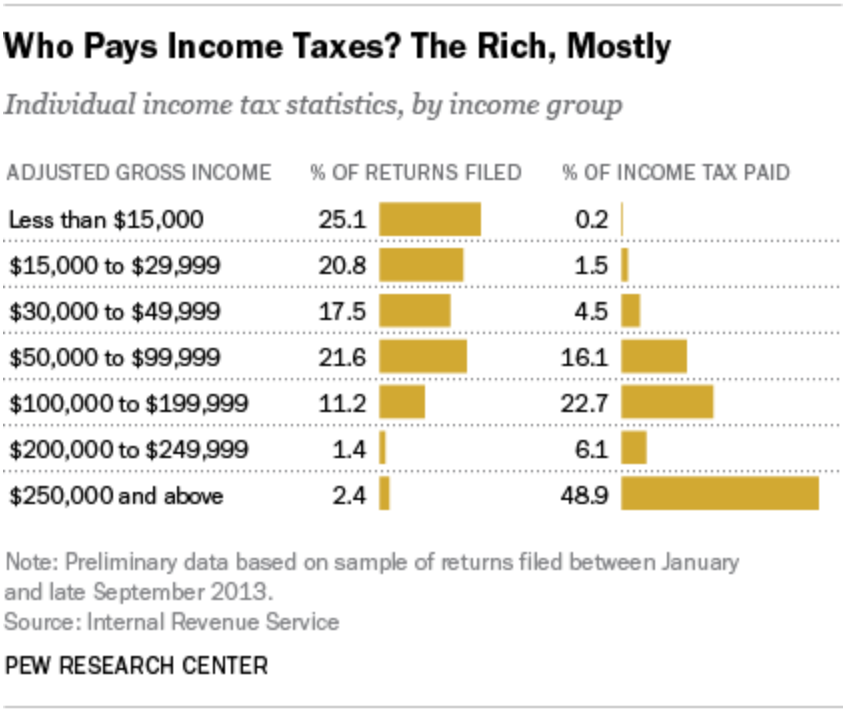

The Commerce Department kept its estimate for fourth-quarter GDP unchanged at a 2.2% annual pace.
U.S. GDP, quarterly change at a seasonally adjusted, annualized rate
8%
6
4
2
0
-2
-4
-6
-8
Most recent estimate for the fourth quarter: 2.2%
Change from the same quarter a year earlier
Recession
2000
'01
'02
'03
'04
'05
'06
'07
'08
'09
'10
'11
'12
'13
'14
Source: Commerce Department
THE WALL STREET JOURNAL.
Credit-Bubble-Fueled Growth
"New Normal"


S&P 500 Company-Level Price Change: Dec 31 - Mar 26
(Source: FactSet)
2.0%
1.5%
1.0%
0.5%
0.0%
-0.5%
-1.0%
-1.5%
-2.0%
1.5%
0.6%
-1.8%
0.7%
0.1%
-1.2%
Average Price Change
Median Price Change
S&P 500 Companies > 50% of Sales in U.S.
All S&P 500 Companies
S&P 500 Companies < 50% of Sales in U.S.



Who's long Shanghai?

- Other:
    - The Glory Days of Private Equity are Over http://www.wsj.com/articles/andy-kessler-the-glory-days-of-private-equity-are-over-1427661933
    - Corporate profits... http://www.wsj.com/articles/s-p-500-earnings-chill-could-herald-profit-freeze-heard-on-the-street-1427487828?mod=wsj_nview_latest
    - Bill Clinton – Hillary's campaign is working on a strategy to control Bill Clinton better this time around than they did in '08 when he at times became a liability. http://www.nytimes.com/2015/03/29/us/politics/to-avert-repeat-of-2008-clinton-team-hopes-to-keep-bill-at-his-best.html?partner=rss&emc=rss
    - His biggest gift to the electorate (I don't care as long as Uncle Joe runs!) http://www.breitbart.com/big-government/2015/03/28/the-real-reason-harry-reid-is-retiring/
    - Who pays? =>



- HY: 107 (roll)
- IG: 64 (roll)
- CSLLI: 0.30% mtd / 1.97% ytd

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